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SUBJECT: FSLN GOVERNMENT PLAN, PART I

¶1. SUMMARY: The Sandinista Front for National Liberation's (FSLN) government plan for the upcoming election promises a world of social programs and "quick fixes" to real problems while ignoring past statements and actions. FSLN presidential candidate Daniel Ortega expanded the plan and made his intentions clearer during his 19th of July speech. Other party candidates have been critical of the plan and Ortega's behavior. This cable is the first of four, and covers summaries of the content of the plan, as outlined in the formal announcement and subsequent public announcements. Subsequent cables will include notable FSLN party members who contribute to policy, an assessment of the plan, and the strategy behind it. END SUMMARY.

¶2. The FSLN traces its roots to the guerrilla group founded in 1961, and came to power during the overthrow of Anastasio Somoza Debayle's dictatorship in March 1979. The FSLN, under the leadership of a nine man National Directorate, ran the Nicaraguan government as a socialist collective dictatorship until the democratic reforms of 1990 when Violeta Chamorro was elected. Since then, the FSLN has functioned as a political party unsuccessfully running Daniel Ortega as its presidential candidate in three elections, but nonetheless winning the majority of municipal government positions. During Arnaldo Aleman's administration, when the FSLN held the majority of seats in the National Assembly, Ortega and Aleman signed a power sharing pact that has enabled the two parties to control the political sphere and change electoral law in favor of the FSLN. As he prepares for the November election, Ortega functions as a caudillo, intimidating party members and voters. The FSLN continues to reflect the popular socialism that dominated party thinking during the 1980's.

Summary of the Published FSLN Government Plan

¶3. Presented before the National Assembly on May 28, the FSLN government plan was proclaimed "a cultural, ethical, and socio-economic plan" rather than a political plan. It comprises six promises to the people, as well as additional policy proclamations, as outlined below:

--Promise I: Employment, Credit, and Business: To ensure employment and foster business, a Development Bank for Production will be created that will offer accessible interest rates according to production costs and provide the economy a jump start. A Community Bank, at the municipal level will also be created which will feature a Rotating Production Fund for special programs. A Law of Agriculture and Nutritional Security, the details of which are not given, will be written and passed in order to assure that every

citizen has the necessary food. The Government of Reconstruction and National Unity (GRUN) is seeking co-investment where the state will share with the national and international private sector, including controlling a percentage of key services, such as energy and communications. The GRUN will focus on an energy transformation that will move the country away from oil and towards alternative energy including biomass, ethanol, and hydroelectric power. Energy adaptation is considered one of the first steps toward integration with ALBA, as demonstrated in the fertilizer agreement that rural mayors signed with Venezuela. The plan also reasserts Nicaragua's claim over the San Juan river.

--Promise II: Universal Health Care and Free Primary and Secondary Education: The GRUN considers preventative health care a national priority and plans to ensure that access to vaccinations, health education, industrial security, and worker healthcare plans are universal. They will increase the number of hospitals and healthcare centers, which they plan to finance with the sale of imported petroleum from Venezuela. Doctors from Cuba will help train Nicaraguan medical staff. Education at all levels has consistently been part of the FSLN platform and this plan is consistent with that. The GRUN will guarantee that the 6 percent of the National Budget, constitutionally required to be allotted to state universities, will be delivered every year in a timely manner. They will also guarantee scholarships for outstanding students. Asserting that primary and secondary education are a central element of dignity and human development they will guarantee free education for all school-age children. They also plan on elevating the scientific and technical level of education.

--Promise III: Decentralization, Autonomy, and Governability: The GRUN promises to honor the 10 percent budget allotment to the Municipalities that is required by constitutional law. The plan claims that they will give the departments the support that they need without infringing on their sovereignty and that stronger relationships with the departments and citizens will improve governability. They also claim to support the autonomy of the Atlantic regions more than past governments have done. Their alliance with Yatama, the indigenous party of the region, is championed as representative of their connection and preeminence in the region.

--Promise IV: Citizen Security: The FSLN government will work with communities and the National Police to take back the streets. According to the plan, Nicaragua's gang problem can only be solved by addressing the problems created through social exclusion. The newly elected government will strengthen the Police in order to fight organized crime and narcotrafficking. They will also work cooperatively with the people to root out corruption and to root out extreme poverty.

--Promise V: The Environment and Natural Disasters: The plan focuses on the need to strengthen the emergency reaction capabilities of the country in order to prevent unnecessary losses of life. They will also prioritize the protection of the environment as one of the country's most important natural resources.

--Promise VI: From External Dependence to National Sovereignty: While Nicaragua needs and appreciates the support given by foreign nations, the plan outlines moving away from external aid dependence as a priority. Combating poverty, creating employment, and developing Nicaragua will require a different kind of support from the international community, principally, focusing on increasing the quality of life for citizens. According to the plan, a newly elected FSLN government will keep CAFTA under review in order to determine if it is the best economic program to protect Nicaraguan producers. ALBA is considered a viable option as a market that will better meet the needs of the country.

14. Additional key points in the plan:

- placement of 50 percent women in all government organizations and all positions as part of expanded respect, dignity and equality for all women
- support for farmers (campesinos) is a "national priority," including financial and technical support, employment opportunities, legal security of property, and quality roads for product transportation
- support for small businesses and medium level production
- equality of salaries in the civil services and more job security for public servants
- opposition to war of any kind which it does not see as a viable means of communication between nations. Therefore, the war in Afghanistan and Iraq should be stopped and Guantanamo Bay should be closed.
- establishment of positive relationships with world governments, including the United States, with whom they seek to set up political, cultural, social, and commercial exchanges.
- an international economic policy that consists of a unified Latin America, under an open, diversified and technologically advanced domestic model
- respect for private property, no confiscations or expropriations
- more equitable taxation system and reduction in tax evasion

Government Plan Reflected in 19 de Julio Speeches

15. Although the FSLN's plan was formally announced and outlined on May 28th, Daniel Ortega's and Jaime Morales' 19 July speeches -- the day Nicaraguans celebrate the Sandinista victory over the Somoza dictatorship -- served as important policy signposts. More of the stereotypical and troublesome aspects of the FSLN platform were fully voiced during the celebration. Wearing a Nicaraguan flag as a cape and dressed in a white shirt and blue jeans, Ortega declared the FSLN against the "savage capitalism" under which Nicaragua suffers, while paradoxically vowing to help foster development and growth through a free market economy.

16. Ortega made a point to emphasize his alliances with Fidel Castro and Hugo Chavez as the main avenue forward and promised to bring cheap energy from Venezuela and doctors from Cuba. While reiterating his past apologies for actions taken in the 1980's he vowed to reinstate the successful policies of that period such as a close working relationship with Cuba and a mixed economy. He vowed to reinstitute entirely free education. He also appealed to Nicaraguans living abroad, promising his government will help Nicaraguan expats gain legal status and the right to send back the full value of their remittances.

17. PLC candidate Jose Rizo, as well as members of the current government, criticized Ortega for his lack of decorum when he wore the Nicaraguan flag as a cape to give his 19 de Julio speech. He claimed that Ortega "parading around like Zorro" showed a lack of respect for the flag and its significance and that Nicaraguans should be offended. He felt that this is no time for games and that Ortega should be taking the process seriously. Also, he told local press that Ortega was trying to liken himself to Bolivian leader Evo Morales. ALN candidate Eduardo Montealegre also criticized Ortega's action. MRS candidate Edmundo Jarquin questioned Ortega for riding into the celebration on a luxurious horse saying that his behavior was reminiscent of the Somoza era. (Note: Jarquin and his vice presidential candidate, Carlos Mejia Godoy, rode into the plaza in Masaya on donkeys. END NOTE)

Modifications to the Plan

18. Before his speech on 19 July, Ortega reportedly convened regional and international economic experts to refine his economic plan, which has been criticized as not viable. One recent modification is the construction of a pan-Nicaraguan canal that he claims will enhance Nicaragua's production capacity. Abortion has also been brought to the table and added to the FSLN plan after MRS candidate Edmundo Jarquin

declared himself in favor of limited therapeutic abortion -- resulting in an onslaught of criticism and declarations from rival parties. Each of the other four parties in November's race, including the FSLN, has come out strongly against abortions of any kind. Led by Ortega's wife, Rosario Murillo, the pro-life campaign came as a surprise considering the FSLN's consistent support for therapeutic abortion. During Daniel Ortega's government in the 1980's, therapeutic abortion was practiced in the state women's hospital as has been allowed by the Nicaraguan penal code, which has been in force since 1974. The FSLN's platform transformation is seen as an attempt to sway the support of the Catholic church in favor of Ortega.

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